

**INSURANCE DIVISION[191]**

**Adopted and Filed**

**Rule making related to property casualty insurance and producer continuing education**

The Insurance Division hereby amends Chapter 11, “Continuing Education for Insurance Producers,” and Chapter 20, “Property and Casualty Insurance,” Iowa Administrative Code.

*Legal Authority for Rule Making*

This rule making is adopted under the authority provided in Iowa Code sections 505.8, 515.115, 515F.37 and 522B.18.

*State or Federal Law Implemented*

This rule making implements, in whole or in part, Iowa Code chapters 505, 515, 515F and 522B.

*Purpose and Summary*

These amendments are a result of the Division’s review of rules. The amendments to Chapter 11 remove the cap on self-study continuing education for insurance producers. This change will effectively make the classroom continuing education requirement an option.

These amendments update Chapter 20 by removing unnecessary language, correcting statute references, and conforming to current practice.

*Public Comment and Changes to Rule Making*

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on March 10, 2021, as **ARC 5500C**. No public comments were received. No changes from the Notice have been made.

*Adoption of Rule Making*

This rule making was adopted by Douglas M. Ommen, Iowa Insurance Commissioner, on April 15, 2021.

*Fiscal Impact*

This rule making has no fiscal impact to the State of Iowa.

*Jobs Impact*

After analysis and review of this rule making, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Division for a waiver of the discretionary provisions, if any, pursuant to 191—Chapter 4.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee’s meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

*Effective Date*

This rule making will become effective on June 9, 2021.

The following rule-making actions are adopted:

ITEM 1. Amend paragraph **11.3(4)“b”** as follows:

b. A producer may receive ~~up to 18~~ CE credits for self-study courses during a CE term that do not meet the definition of paragraph 11.3(4) “a” if the producer:

(1) and (2) No change.

ITEM 2. Amend subrule 11.5(7) as follows:

**11.5(7)** A CE course must be offered for a minimum of one credit. Fractional credits will not be awarded. The total credit that may be awarded for a CE course is limited to 36 credits, ~~except that credit for a self-study course as defined in paragraph 11.3(4) “b” is limited to 18 CE credits.~~

ITEM 3. Amend rule 191—20.1(505,509,514A,515,515A,515F) as follows:

**191—20.1(505,509,514A,515,515A,515F) General filing requirements for filing rates and forms.**

**20.1(1)** Insurance companies required to file rates or forms with the division shall submit required rate and form filings and any fees required for the filings electronically using the National Association of Insurance Commissioners’ System for Electronic Rate and Form Filing (SERFF). Insurance companies must comply with the division’s requirements for submissions, including both the Iowa general instructions and the specific submission requirements for the type of insurance for which the companies are submitting forms or rates, as set out on the SERFF ~~Web site at [www.serff.org](http://www.serff.org)~~ website at [serff.com](http://serff.com).

**20.1(2)** No change.

ITEM 4. Amend rule 191—20.2(505) as follows:

**191—20.2(505) Objection to form filing.**

**20.2(1)** No change.

**20.2(2)** Within 20 days after receipt of the request for a hearing, the commissioner will hold a hearing to consider the objection to the filing. The commissioner will provide not less than 10 days’ written notice of the time and place of the hearing to the person or association filing the ~~demand~~ request, to the filing insurer or organization, and to any other person requesting notice. The commissioner may suspend or postpone the effective date of the filing pending the hearing. Upon consideration of the information received at the hearing, the commissioner may determine whether or not to approve the filing.

ITEM 5. Amend subrule 20.4(3) as follows:

**20.4(3)** A form filing which has not been previously approved, disapproved or questioned shall be deemed approved on or after 30 days from ~~its receipt~~ the date that all necessary requirements are submitted to SERFF.

ITEM 6. Amend rule 191—20.5(515A) as follows:

**191—20.5(515A) Rate or manual rule filing.**

**20.5(1)** Every insurer shall determine and file its final rates with the commissioner pursuant to provisions of Iowa Code chapter 515F, except for insurers of workers’ compensation who are specifically excluded by Iowa Code section ~~515F.5~~ 515F.3(2) and residual market mechanisms.

a. Advisory organizations, defined in Iowa Code section 515F.2 and licensed pursuant to Iowa Code section 515F.8, may file on behalf of their member and subscriber companies prospective loss costs, supplementary rate rating information and supporting information as defined in Iowa Code section 515F.2. Advisory organization filings shall be filed and made effective in accordance with the provisions of Iowa Code sections 515F.4 to 515F.6 or 515F.23 to 515F.25 that apply to the filing and approval of rates and supplementary rating information.

b. An insurer may satisfy its obligation to make rate filings by becoming a participating insurer of a licensed advisory organization that makes reference filings of advisory prospective loss costs and

by authorizing the commissioner to accept such filings on its behalf. The insurer's rates shall be the prospective loss costs filed by the advisory organization which have been put into effect in accordance with paragraph 20.5(1) "a," combined with the loss cost adjustments which are filed in accordance with ~~this paragraph~~ 20.5(1) "a."

c. An insurer may satisfy its obligation to make filings of supplementary rating information by becoming a participating insurer of a licensed advisory organization ~~which~~ that makes such filings and by authorizing the commissioner to accept such filings on its behalf, subject to any modifications filed by the insurer.

d. No change.

**20.5(2)** No change.

**20.5(3)** Insurers making filings ~~in~~ on their own behalf and advisory organizations making a filing on behalf of an insurer shall identify each page filed by printing, typing or stamping their own name thereon.

**20.5(4)** If a company filing rates used the manuals of an advisory organization in its filings, any portion of the manuals of the advisory organization ~~which~~ that will not be followed by the filing must be clearly shown as deleted or amended by use of an appropriately numbered exception page.

**20.5(5)** For residual market mechanisms, insurers making filings ~~in~~ on their own behalf shall identify the submission as an independent filing or a deviation from the bureau filing previously filed form, rate, or rule. A deviation filing is a submission which represents modification of a form or rate or rule previously filed by an authorized rating organization or advisory organization on behalf of its member and subscriber companies. If an insurer has previously filed forms modifying coverage provided by the applicable standard ~~or bureau~~ forms, such fact should be noted in the rate filing.

ITEM 7. Amend rule 191—20.6(515A) as follows:

**191—20.6(515A) Exemption from rate filing requirement.**

**20.6(1)** No change.

**20.6(2)** If the commissioner finds that a proposed rate represents a classification for which credible and homogeneous statistical experience does not exist and cannot be analyzed using standard actuarial techniques to produce a statistically significant average rate for the individual risks within the classification, the commissioner may exempt the ~~proposed rate insurer~~ insurer from the filing requirement for that proposed rate.

**20.6(3)** An insurer shall maintain statistical records of the experience and expenses attendant upon the risks covered by any rate exempted by the commissioner from the filing requirement. The insurer may supplement statistical information ~~with information~~ filed with the commissioner with information by an advisory organization licensed pursuant to Iowa Code section 515F.8.

This rule is intended to implement Iowa Code section 515A.4(6).

ITEM 8. Amend rule 191—20.11(515) as follows:

**191—20.11(515) Exemption from form and rate filing requirements.**

**20.11(1)** The following lines of insurance shall be exempt from the form filing requirements of Iowa Code section 515.102:

- a. Aircraft hull and aviation liability.
- b. Difference-in-conditions.
- c. Kidnap-ransom.
- d. Manuscript policies and endorsements issued to not more than two insureds in Iowa.
- e. Political risk.
- f. Reinsurance.
- g. Terrorism.
- h. War risk.
- i. Weather insurance.

**20.11(2)** No change.

**20.11(3)** An insurer shall, within 30 days of the commissioner's request, provide the commissioner with any of the information which is exempted from form and rate filing requirements.

ITEM 9. Amend rule 191—20.41(515,515F) as follows:

**191—20.41(515,515F) Purpose.** This division is intended to implement and interpret ~~2003 Iowa Acts, chapter 419,~~ Iowa Code sections 515F.30 to 515F.38 for the purpose of establishing procedures and requirements for a mandatory risk-sharing facility for basic property insurance coverage. This division is also intended to encourage improvement of and reasonable loss prevention measures for properties located in Iowa and to further orderly community development.

ITEM 10. Amend rule 191—20.43(515,515F), introductory paragraph, as follows:

**191—20.43(515,515F) Definitions.** In addition to the definitions of Iowa Code sections 514F.2 and 515F.32 and rule 191—20.1(505,509,514A,515,515A,515F), the following definitions apply:

ITEM 11. Amend rule **191—20.43(515,515F)**, definition of “Iowa FAIR Plan,” as follows:

“*Iowa FAIR Plan Association*” or “*the Plan*” means the nonprofit, unincorporated mandatory risk-sharing facility established and governed by Iowa Code sections 515F.30 through 515F.38 and this division to provide for basic property insurance.

ITEM 12. Amend subrule 20.47(3) as follows:

**20.47(3)** The governing committee may designate, ~~with the approval of the commissioner, a rate service organization as defined in Iowa Code chapter 515F,~~ an independent inspection firm to make inspections as required under the Plan and to perform such other duties as may be authorized by the governing committee.

ITEM 13. Amend rule **191—20.71(515)**, definition of “ISO,” as follows:

“*ISO*” means the ~~insurance services office~~ Insurance Services Office, Inc.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 5/5/21.